



Congresswoman Stephanie Murphy  
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Thank you, John. And thank you to CSIS and JETRO for inviting me to speak. I’m honored to be here.

Given the sizeable Japanese presence at this event, I think it’s appropriate to begin with a confession. In the summer after my junior year in college, I lived in Japan and worked at Canon, where I was responsible for translating the company’s technical documents from English into Japanese. I had studied Japanese for two years and arrived in Tokyo supremely confident in my skills. That confidence faded fast when my first translation was returned to me covered in red pen, and things didn’t get better after that. If you see a Japanese-language document from Canon that doesn’t make any sense, it’s probably my fault. But I had a wonderful time in Japan and learned so much, including a valuable lesson in humility.

Thankfully, we can now “pivot”—though perhaps “rebalance” is a better word—from a discussion of my own linguistic shortcomings to a discussion of U.S. economic engagement in the Asia-Pacific, the most economically-dynamic region in the world by virtually any metric.

This is a vast and complex topic—with a thousand different sub-topics worthy of debate. I’d like to highlight three broad, interrelated themes that are foremost in my mind. They are: ongoing U.S. efforts to counter an increasingly assertive China through the use of economic statecraft; the January 2017 decision by President Trump to withdraw the United States from the Trans-Pacific Partnership; and President’s heavy-handed tariff policy.

I am concerned that U.S. policies on TPP and tariffs are undermining the effectiveness of our policy toward China, which we must get right given the stakes involved for our security and our economy. I’ve concluded that Congress should play a more muscular role when it comes to U.S. trade and tariff policy. This can be accomplished through the passage of legislation fine-tuning the balance of power between the two branches. If enacting a bill into law proves impossible, it could be partially achieved through better and more bipartisan oversight by Congress of the executive branch’s trade policies.

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It's said that where you stand on an issue depends on where you sit, and that's true here. My views on U.S. international economic policy in general, and toward Asia specifically, are informed by my position in Congress and the characteristics of the district I represent.

I serve on the House Ways and Means Committee, and on the Trade Subcommittee, which has primary jurisdiction over free trade agreements, tariffs, and other trade-related matters.

I am moderate Democrat who represents a district in central Florida that is about one-third Democrat, one-third Republican, and one-third independent. I take pride in being pragmatic and bipartisan. I'll speak up when I believe President Trump or congressional Republicans are wrong, as I often do, but I don't criticize them reflexively or take particular joy in it.

The state I represent, Florida, is highly dependent on international trade. Trade supports nearly 2.4 million jobs in the state. That's nearly one in five workers.

Annually, Florida exports over \$50 billion in goods and over \$40 billion in services. Our top export markets include Brazil; Canada and Mexico; the U.K. and Germany; and China.

About 30,000 Florida companies import products from abroad. Although it's hard to measure with precision, imports keep prices down and increase choice for Florida consumers.

With respect to foreign direct investment, foreign-owned companies employ about 350,000 workers in Florida. For example, over 20,000 Floridians work for firms based in Japan.

These data points help explain why I'm proud to describe myself as a pro-trade Democrat. I believe trade and investment liberalization policies, if crafted in a thoughtful way, can enhance quality of life for the people I represent. My constituents don't tend to be hostile or skeptical toward these policies, so long as I—as their representative—detail the many benefits they bring, honestly disclose the disruptions they might cause in certain sectors, and work hard to minimize those disruptions, rather just paying them lip service.

That's my general approach whether we are considering U.S. economic policy toward Asia, Latin America, or any other region of the world.

In addition, my views on the value of U.S. engagement in Asia are influenced by my personal background and my professional experience prior to Congress. There is an emotional dimension to my position, not just an intellectual one.

Here's what I mean. There are 541 Members of Congress, and I'm one of only five born in an Asia-Pacific country. Two were born in Japan, one was born in Thailand, one was born in Taiwan, and I was born in Vietnam.

I was born in 1978, three years after the U.S. ended its involvement in the Vietnam War. Because my parents worked alongside U.S. and South Vietnamese forces during the conflict, they weren't safe once the Communist government came to power.

When I was a baby, my family escaped Vietnam by boat, but ran out of fuel in the South China Sea. A U.S. Navy ship in the area responded to our distress signal. The sailors gave us the supplies we needed to reach a Malaysian refugee camp. From there, a church in Virginia sponsored our passage to the United States, where we became proud citizens.

Because I was too young, I can't recall the moment when the U.S. military rescued us—just as it saved thousands of other Vietnamese “boat people” during this era. But it's an event that's seared into my psyche. It's become a fundamental part of who I am and how I view America's role in the world.

These American sailors were on patrol thousands of miles from home—maintaining forward presence, deterring conflict, and ensuring the safe passage of ships involved in international commerce. On the fateful day our paths crossed, their mission changed and they chose to extend grace to desperate strangers.

I don't mean to sound sentimental, but I am alive today because of American leadership and American power, along with American generosity. These aren't abstract concepts for me. They have intensely practical meaning. For my family, they were the difference between life and death.

As you can imagine, in light of my story, I tend to be skeptical of arguments made by American politicians, whether they are Republican or Democrat, that the United States should step back from its leadership responsibilities on the global stage. I'm inclined to believe that such a retreat, however tempting it might appear at first blush, will ultimately make America and our allies less prosperous and secure.

My belief in the importance of American leadership—and of American-led alliances—was reinforced as a result of the four years I spent working at the Department of Defense after 9/11. From posts at the Pentagon and U.S. Pacific Command in Hawaii, I helped negotiate a strategic framework agreement with Singapore, participated in discussions with the Japanese regarding an enhanced role for their Maritime Self-Defense Forces, planned special operations in Asia, and authored the guidance that set forth how the Navy would employ its forces in the region. Most memorably, I was involved in the U.S. military's response to the 2004 tsunami in Indonesia, which evolved into a multinational operation featuring countries like Japan, Australia, Singapore, and Malaysia.

During my time at DOD, I was reminded, again and again, how effective the United States can be when it establishes clear objectives, forms coalitions of willing nations that share those objectives, and leads those coalitions in a strategic and respectful way. It's a lesson that is now hardwired into my brain.

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With that as backdrop, let me return to the three themes I identified that worry me most about the state of U.S. economic policy in Asia.

First is what might be called the “X Factor”—the multi-dimensional challenge posed by China under Xi Jinping to the U.S.-led international order, especially in the Asia-Pacific. There is an emerging consensus that the U.S. and China have entered a period defined by confrontation and competition.

At core, this is a contest over divergent values and interests. It’s a contest between opposed political and economic systems, and between different visions for the future of Asia and the world writ large. On the political front, it’s a contest between authoritarian rule and democratic rule. On the economic front, it’s a contest between a state-led model and a market-based model. It’s a contest the United States didn’t ask for, but one in which we must prevail.

To compete effectively with China, it’s imperative for the United States to strengthen economic engagement in the Asia-Pacific through increased trade and investment. I would note that every U.S. multinational enterprise worth its salt understands that they cannot be a successful global company unless they have a meaningful presence in Asia or a strategy to attain one.

But American firms are working against considerable headwinds emanating out of Washington. That brings me to the second theme I mentioned—the Trans-Pacific Partnership.

In one of his first acts from the Oval Office, President Trump withdrew the United States from TPP. The President could have sought to renegotiate aspects of the agreement he didn’t like. Or he could have sent the agreement to Congress for our review, potential modification, and approval or disapproval. He did neither.

Many of my congressional colleagues on both sides of the aisle have been less than forthcoming on this subject, so let me be clear. I think America’s withdrawal from TPP was a serious strategic error. I assume it was met with cheers in Beijing loud enough to drown out the groans in Tokyo and Hanoi. We had an opportunity to unify the region around an American-designed system of commerce and to check China’s rising influence, and we squandered it. Thanks to Japanese leadership, the 11 other TPP nations went ahead with the agreement in our absence, lowering tariffs and leaving American companies at a competitive disadvantage.

In my view, the U.S. has compounded this error through the President’s impulsive use of tariffs on friends and foes alike, which is my third source of concern.

I suppose we can have a reasonable debate over the wisdom of President Trump’s decision to impose 25 percent tariffs on \$250 billion of Chinese imports and to threaten tariffs on the remaining \$300 billion, in response to Chinese trade practices that almost everyone agrees are unfair. I view tariffs as the foreign policy equivalent of punching someone else in the face, and then punching yourself in the face even harder. Despite the President’s constant claims to the contrary, it is U.S. companies and consumers that bear the brunt of U.S. taxes on imports. In addition, U.S. exporters have been harmed by China’s shrewd application of counter-tariffs.

With no end in sight to this escalating trade war between the world’s two biggest economies, it’s never been more vital for the U.S. to work closely with its allies in Asia and Europe who share our concerns with China’s trade practices. We should be building a unified coalition along the lines I

used to witness every day at the Department of Defense, to maximize the chance of getting China to make structural changes.

Instead, the President has frustrated this effort by imposing steel and aluminum tariffs on our allies as well as our adversaries, based on a gossamer thin “national security” justification. The possibility exists that the President may impose tariffs on autos and auto parts based on that same security rationale, a claim that doesn’t even pass the laugh test. Trust me: I worked in national security—and imports of autos and auto parts don’t threaten it.

Instead of joining forces to take on China, we are fighting with our friends over secondary issues.

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If this is what U.S. leadership looks like, we can do better. If this is what U.S. economic engagement in the Asia-Pacific looks like, we can do better. If this is how we intend to prevail in this generational competition against China, we can do better. We must do better.

I think Congress needs to step up to the plate. For starters, I think we should hold a hearing on the benefits and costs of rejoining TPP and other ways to fortify our trading relationships with countries in the region—always in a way that strengthens labor, environmental and other standards in those countries. We should have the debate that President Trump foreclosed.

More generally, I believe recent events have underscored the necessity of resetting the balance of power between the legislative branch and the executive branch when it comes to international trade. Over the years, Congress has chosen to delegate much of its constitutional authority to regulate foreign commerce to the executive branch. The current President has used this authority recklessly at best and has abused this authority at worst—harming America’s businesses, consumers and relationships with foreign countries in the process.

The time has come for Congress to reclaim its fair share of this authority, so we have a greater say in tariff decisions, especially those based on the dubious “national security” rationale. I intend to introduce legislation on this subject in the coming days.

With that, I’ll stop speaking and answer your questions. Thank you again for having me.